GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:7103
ANSWERED ON:12.05.2005
INCENTIVES TO PRIVATE VENDORS
Madhwaraj Smt. Manorama

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government provides incentives to private vendors for developing substitutes for imported defence supplied and subsidise the R&D of vendors; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY KRISHNA HANDIQUE)

(a) & (b): There is no scheme of providing incentives to private vendors for developing substitutes for imported defence supplies nor is any subsidy given for R&D. However, private vendors are encouraged to take part in development and productionisation of systems developed by DRDO by associating them at development stage and paying them through development contracts. Annual awards are given to the best industry, public or private, for excellence in production of indigenously manufactured defence items.